

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

In the matter of:

French Manor Properties, LLC¹
Brenda Ashcraft

Case No. 13-13960

Debtors

Chapter 7
Judge Buchanan

**MOTION OF TRUSTEE TO AUTHORIZE AN INTERIM DISTRIBUTION OF
ESTATE FUNDS TO CREDITORS HOLDING ALLOWED CLAIMS**

Now comes George Leicht, the Chapter 7 Bankruptcy Trustee ("trustee") of the Debtors French Manor Properties LLC ("FMP") and Brenda Ashcraft ("Ashcraft") by counsel and pursuant to 11 U.S.C. §507, §726, and §105 brings this motion to obtain an order, substantially in the form set forth in Exhibit B, for an interim distribution to holders of allowed claims. The distribution will be from funds held by the Trustee in this case. A memorandum in support of the trustee's motion is attached.

/s/ George Leicht

George Leicht, Ohio Reg. 0019698
Attorney for Chapter 7 Trustee
PO Box 602
Batavia, OH 45103-0602
(Tel.) 513.734.4848
email gpl@fuse.net

TRUSTEE'S MEMORANDUM IN SUPPORT OF MOTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding is a core proceeding pursuant to 28 U.S.C.

¹ Pursuant to an Order directing Joint Administration of Debtors' Chapter 7 Cases French Manor Properties LLC (Case No. 13-13960) and Brenda Ashcraft (Case No. 13-14859) Doc. No. 14.

§ 157(b)(2). Venue of this Motion is proper under 28 U.S.C. § 1408 and 1409.

2. This motion is filed pursuant to sections 105(a), 726 and 507 and of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 9013 of the Federal Rules of Bankruptcy Procedure.

BACKGROUND

3. On August 21, 2013, an involuntary bankruptcy petition was filed against the debtor, French Manor Properties, LLC in case number 13-13960. Subsequently on October 22, 2013, an involuntary bankruptcy petition was filed against the Brenda Ashcraft in case number. 13-14859.

4. Movant was appointed as the Chapter 7 trustee in both cases which were consolidated for the purpose of administration (Doc. Nos. 81-82).

5. Ashcraft was the sole member of French Manor Properties LLC which the Trustee believes was operated as a Ponzi scheme. Investors were induced to buy interests in real estate investment trusts (REITs) created by FMP in return for substantial profits in short term investments. In fact, the funds paid to Manor were used to pay earlier investors and Ashcraft’s personal expenses.

6. On April 15, 2015, Ashcraft plead guilty to wire fraud, money laundering, and securities fraud in violation of 18 USC §§ 1343, 1957 and 15 USC §78.

7. During the pendency of this bankruptcy case the Trustee has filed numerous adversary complaints under the theory that those persons or entities who invested with FMP and received from FMP funds in excess of the funds invested were the recipients of fraudulent transfers as defined by 11 U.S.C. §§ 548, 544 and ORC Chapter 1360 (Ohio Uniform Fraudulent Conveyance Act.)

8. The Trustee has recovered funds in excess of \$700,000.00 for the benefit of the bankruptcy estate. The Trustee believes he will recover additional funds from two remaining adversary cases pending before this Court, however, resolution of these adversary cases may take an additional year.

9. The Trustee believes he has resolved all claims against the French Manor Properties LLC estate, subsequently obtaining orders compromising the proofs of claims². The Trustee does not believe there are any remaining claims against the estate which have not been resolved.

PROPOSED DISTRIBUTION

10. The Trustee proposes an interim distribution of \$400,234.23 from the funds on hand in the amounts set forth in Exhibit A. Under the terms of the proposed interim distribution, the split claim of Ohio Jobs and Family Services (Claim no. 17) entitled to priority under 11 U.S.C. 507(a) (2-8) in the amount of \$234.23 will be paid in full. All remaining claims will be paid pro-rata.

RELIEF REQUESTED

11. The Trustee requests the Court enter an Order substantially in the form of Exhibit B, authorizing the Trustee to make an interim distribution to the creditors listed in the Order and for other and further relief as the Court deems just and proper.

/s/ George Leicht

George Leicht, Ohio Reg. 0019698
Attorney for Chapter 7 Trustee

² A bar date for filing claim in Case No. 13-13960 (French Manor Properties LLC) and Case No. 13-14859 (Brenda Ashcraft) was set by the Court and the last day to file claims in either case was May 12, 2017. (Doc No. 322). Subsequently claims were allowed by agreed orders. See Doc No. 265, Doc Nos. 331 through 341, Doc Nos 355 through 357 and Doc Nos 402 through 410.

EXHIBIT A

PROPOSED INTERIM DISTRIBUTION

CLAIMS ALLOWED IN 13-13960			
Claim	Holder	Allowed	Proposed Payment
1	John Gilbert	\$375,695.00	\$37,306.39
2	E. Wichta and K. Wichta	\$94,600.00	\$9,393.75
3	<i>Wilmington College (denied)</i>	0	
4	Bruce Blum	\$228,950.00	\$22,734.66
5	Teresa Wellington	\$188,898.00	\$18,757.51
6	Lori Robson	\$70,000.00	\$6,950.98
7	R. Gilbert and F. Gilbert	\$297,930.00	\$29,584.35
8	American Express	1,590.00	\$157.89
9	Cindy Swinney	\$361,490.00	\$35,895.84
10	Kunkemoeller et al.	\$376,518.00	\$37,388.11
11	Lawrence Maglin	\$257,161.00	\$25,536.00
12	Dubois (<i>withdrawn</i>)	0	
13	J. McCain and K. McCain	\$26,438.00	\$2,625.28
14	David Engelhart	\$14,555.00	\$1,445.31
15	G. Gromek and M. Gromek	\$18,969.00	\$1,883.62
16	Stanley Blythe	\$789,860.00	\$78,432.84
17	Ohio Jobs & Family (unsec'd)	160.86	\$15.97
18	G. Richards and M. Richards	\$81,907.00	\$8,133.34
19	Shannon Anderson Ellis	\$21,463.00	\$2,131.27
20	B. Blythe and M. Blythe	346,649.00	\$34,422.13
21	Michael Blythe	17,776.82	\$1,765.23
22	Sharmini Shanker	\$290,100.00	\$28,806.83
23	IRS (<i>withdrawn</i>)	0	
CLAIMS ALLOWED IN 13-13960 FILED IN 13-14859			
2a	Michael Fink	\$64,000.00	\$6,355.18
3a	M. Bruce Van Dyke	\$64,000.00	\$6,355.18
9a	J. Morland and S. Morland	\$29,500.00	\$2,929.34
17a	Brent Bowman	\$10,000.00	\$993.00
17	Ohio Jobs & Family Priority	\$234.23	\$234.23

Note: Claim 3 was denied by Court Order (Doc No. 265) Claims 12 and 23 have been withdrawn and claims filed in case number 13-14859 by Fink, VanDyke, Morland and Bowman have been allowed in case number 13-13960 as they were losses sustained with FMP. There are no funds available, at this time, to make a distribution to any other claim holder in case number 13-14859.

**EXHIBIT B
PROPOSED ORDER**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

In the matter of:

French Manor Properties, LLC³
Brenda Ashcraft

Debtors

Case No. 13-13960

Chapter 7
Judge Buchanan

**ORDER APPROVING TRUSTEE'S MOTION FOR INTERIM DISTRIBUTION
OF ESTATE FUNDS TO CREDITORS HOLDING ALLOWED CLAIMS**

This matter is before the Court upon the trustee's motion filed _____
2018 (Doc. No. _____) for an Order authorizing the Trustee to make an interim
distribution to creditors in the amount of \$400,234.23 from the funds on hand
from the liquidation of the bankruptcy estate. A copy of said motion was
served pursuant to LBR 9013-3 with the notice required by LBR 9013-1(a) and
no objection or response has been filed. The Court finds that:

- a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§
157 and 1334, and venue of these cases and the Motion in this
district is proper under 28 U.S.C. §§ 1408 and 1409;
- b) notice of the Motion was adequate under the circumstances;
- c) the basis for the proposed interim distribution, set forth in the
Motion, establish just cause for the relief granted herein;

³ Pursuant to an Order directing Joint Administration of Debtors' Chapter 7 Cases French Manor
Properties LLC (Case No. 13-13960) and Brenda Ashcraft (Case No. 13-14859) Doc. No. 14.

WHEREFORE the Motion authorizing the Trustee to pay the priority claim of Ohio Jobs and Family Services in the amount of \$234.43 and to make a pro-rata interim distribution to creditors holding allowed claims in the amounts set forth in the motion is **GRANTED**.

SO ORDERED

Service list

Default list

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

In the matter of:

French Manor Properties, LLC⁴
Brenda Ashcraft
Debtors

Case No. 13-13960
Chapter 7
Judge Buchanan

**NOTICE OF MOTION OF TRUSTEE TO AUTHORIZE INTERIM DISTRIBUTION
OF ESTATE FUNDS**

George Leicht, Chapter 7 Trustee in the above captioned case has filed a motion seeking authority to make an interim distribution to creditors.

Your Rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case, (If you do not have an attorney, you may wish to consult one.)

If you do not want the court to grant the relief requested in the motion (or objection) then on or before **21 days from the DATE OF SERVICE set forth below** you must file with the Court a response explaining your position by mailing your response by regular U.S. Mail to Clerk of U.S. Bankruptcy Court, Atrium Two, Suite 800, 221 East Fourth Street, Cincinnati, Ohio 45202 the OR your attorney must file a response using the Court's ECF System.

The Court must **receive** the response on or before the date above.

You must also send a copy of your response either by 1) the Court's CEF System or by regular U.S. Mail to

- George Leicht, Chapter 7 Trustee, PO BOX 602 Batavia, OH 45103-0602
- Office of the U.S. Trustee, Suite 2030 URS Building, 36 E. Seventh Street, Cincinnati, OH 45202
- To the Debtors' attorney and to any other parties named on the service list.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the motion and may enter an order granting that relief.

DATE OF SERVICE: July 13, 2018

/s/ George Leicht

George Leicht, Chapter 7 Trustee

⁴ Pursuant to an Order directing Joint Administration of Debtors' Chapter 7 Cases French Manor Properties LLC (Case No. 13-13960) and Brenda Ashcraft (Case No. 3-14859) Doc. No. 14.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

IN RE: FRENCH MANOR PROPERTIES, LLC

CASE NO: 13-13960

**DECLARATION OF MAILING
CERTIFICATE OF SERVICE**

Chapter: 7

On 7/13/2018, I did cause a copy of the following documents, described below,

MOTION OF CHAPTER 7 TRUSTEE TO AUTHORIZE AN INTERIM DISTRIBUTION OF ESTATE FUNDS TO
CREDITORS HOLDING ALLOWED CLAIMS

to be served for delivery by the United States Postal Service, via First Class United States Mail, postage prepaid, with sufficient postage thereon to the parties listed on the mailing matrix exhibit, a copy of which is attached hereto and incorporated as if fully set forth herein.

I caused these documents to be served by utilizing the services of BK Attorney Services, LLC d/b/a certificateofservice.com, an Approved Bankruptcy Notice Provider authorized by the United States Courts Administrative Office, pursuant to Fed.R. Bankr.P. 9001(9) and 2002(g)(4). A copy of the declaration of service is attached hereto and incorporated as if fully set forth herein.

Parties who are participants in the Courts Electronic Noticing System ("NEF"), if any, were denoted as having been served electronically with the documents described herein per the ECF/PACER system.

DATED: 7/13/2018

/s/ George Leicht
George Leicht 0019698
Attorney for Chapter 7 Trustee
Offices of George Leicht
PO Box 602
Batavia, OH 45106-0602
513 734 4848

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

IN RE: FRENCH MANOR PROPERTIES, LLC

CASE NO: 13-13960

**CERTIFICATE OF SERVICE
DECLARATION OF MAILING**

Chapter: 7

On 7/13/2018, a copy of the following documents, described below,

MOTION OF CHAPTER 7 TRUSTEE TO AUTHORIZE AN INTERIM DISTRIBUTION OF ESTATE FUNDS TO CREDITORS
HOLDING ALLOWED CLAIMS

were deposited for delivery by the United States Postal Service, via First Class United States Mail, postage prepaid, with sufficient postage thereon to the parties listed on the mailing matrix exhibit, a copy of which is attached hereto and incorporated as if fully set forth herein.

The undersigned does hereby declare under penalty of perjury of the laws of the United States that I have served the above referenced document (s) on the mailing list attached hereto in the manner shown and prepared the Declaration of Certificate of Service and that it is true and correct to the best of my knowledge, information, and belief.

DATED: 7/13/2018



Jay S. Jump
BK Attorney Services, LLC
d/b/a certificateofservice.com, for
George Leicht
Offices of George Leicht
PO Box 602
Batavia, OH 45106-0602

PARTIES DESIGNATED AS "EXCLUDE" WERE NOT SERVED VIA USPS FIRST CLASS MAIL
PARTIES WITH A '+' AND DESIGNATED AS "CM/ECF E-SERVICE" RECEIVED ELECTRONIC NOTICE THROUGH THE CM/ECF SYSTEM

AMERICAN EXPRESS BANK FSB
C/O BECKET AND LEE LLP
PO BOX 3001
MALVERN PA 19355-0701

AMERICAN EXPRESS CENTURION BANK
C/O BECKET AND LEE LLP
PO BOX 3001
MALVERN PA 19355-0701

BRENDA ASHCRAFT 71560-061
FMC LEXINGTON/FEDERAL MEDICAL CENTER
PO BOX 14500
LEXINGTON KY 40512

DUANE BEBOUT
70400 AXP FINANCIAL CENTER
MINNEAPOLIS MN 55474-0001

JOSEPH BICKLEY
C/O PATRICIA B. FUGÉE
FISHER BROYLES
600 SUPERIOR AVENUE EAST
FIFTH THIRD BUILDING SUITE 1300
CLEVELAND OHIO 44114

KAREN BICKLEY
C/O PATRICIA B. FUGÉE
FISHER BROYLES
600 SUPERIOR AVENUE EAST
FIFTH THIRD BUILDING SUITE 1300
CLEVELAND OHIO 44114

CHARLES BLACK
5893 THORNY RIDGE
MILFORD OH 45150

BRIAN BLYTHE
MICHELLE BLYTHE
792 MOCKINGBIRD CT.
KELLER TX 76248-2970

STANLEY BLYTHE AND DIANE BLYTHE
1105 EMERALD COURT
COLLEYVILLE TX 76034

MICHAEL AND JENNIFER BLYTHE
7660 BRIDLEWOOD CT
NORTH RICHLAND HILLS TX 76182-7342

BRETT BOWMAN
2251 TEARDROP AVENUE
COLUMBUS OH 43235-7172|

JAMES BREADY
1352 TEAKWOOD AVENUE
CINCINNATI OH 42554

CHRISTINA CAMPBELL
670 BOSTWICH COURT
CINCINNATI OH 45244-1747|

MITCH CANON
812 QUARTERHORSE CT
LEXINGTON KY 40503-5459|

MARK COHEN |
3965 MARBLE RIDGE LANE
MASON OH 45040-2892|

JOSPEH J. DEHNER ESQ.
2200 PNC CENTER
201 EAST FIFTH STREET
CINCINNATI OH 45202-4152

JACK DOLAN
C/O HENRY E. MENNINGER JR
SUITE 2500
600 VINE STREET
CINCINNATI OH 45202

JOSEPH DUBOIS
VALERIE DUBOIS
3300 PINE STREET
NEWTOWN OH 45244

DAVID ENGLEHARDT
P O BOX 495
WILLIAMSBURG OH 45176-0495|

SHANNON ANDERSON ELLIS
3704 GENERAL BRADLEY ST NE
ALBUQUERQUE NM 87111

ENTRUST FREEDOM
C/O PATRICIA B. FUGÉE
FISHER BROYLES
600 SUPERIOR AVENUE EAST SUITE 1300
CLEVELAND OHIO 44114

MICHAEL FINK
2581 WALNUT GROVE LN.
LEXINGTON KY 40509-9757

THEODORE J. FRONCEK ESQ.
OLDE SYCAMORE SQUARE
1208 SYCAMORE STREET
CINCINNATI OH 45202-7321

MELINDA GIGLIO AND DAVID GIGLIO
7875 BLAIRHOUSE DRIVE
CINCINNATI OH 45244-2811

JOHN GILBERT
7549 HUNTERS TRAIL
WEST CHESTER OH 45069

ROBERT J. GILBERT |FAITH GILBERT
7590 TYLERS VALLEY DRIVE
WEST CHESTER OH 45069

GREGORY GROMEK AMD MARIBETH GROMEK
3735 REDTHORNE DRIVE
AMELIA OH 45102-1229

PARTIES DESIGNATED AS "EXCLUDE" WERE NOT SERVED VIA USPS FIRST CLASS MAIL
PARTIES WITH A '+' AND DESIGNATED AS "CM/ECF E-SERVICE" RECEIVED ELECTRONIC NOTICE THROUGH THE CM/ECF SYSTEM

DAVID L. HALL
DEBRA HALL
675 BOSTWICK CT.
CINCINNATI OH 45244-1745|

LYNN HELQUIST
1230 PUERTA DEL SOL
SAN CLEMENTE CA 92673-6310

INTERNAL REVENUE SERVICE
P.O. BOX 7346
PHILADELPHIA PA 19101-7346|

D. PATRICK MULLARKEY
TAX DIVISION (DOJ)
PO BOX 55 BEN FRANKLIN STATION
WASHINGTON DC20044

JENNTARA
C/O PATRICK BURNS ESQ.
SUITE 1900
225 EAST FIFTH STREET
CINCINNATI OH 45202

DAVID JOSHUA
5739 BUCKTOWN ROAD
WILLIAMSBURG OH 45176-9513|

DON KEYS
6904 MT. VERNON AVE.
CINCINNATI OH 45227-4422

STEVE KOUNKLES
3599 TACOMA AVE
TACOMA WA 98418

STEVE KUNKELMOELLER
838 REEDY STREET
CINCINNATI OH 45202-2216|

DAN KUNKEMOELLER
839 REEDY STREET
CINCINNATI OH 45202

LAWRENCE (LARRY) MAGLIN
3416 BEECHWOOD BLVD
PITTSBURGH PA 15217-2963

JASON MCCAIN AND KIM MCCAIN|
818 DORGENE LANE
CINCINNATI OH 45244-5030

BRIAN MCGINTY
ALICIA MCGINTY
2211 TREMONT
COLUMBUS OH 43221-4240

PATRICK MAUE
GAIL MAUE
5091 EAGLES VIEW
CINCINNATI OH 45244-5029

KYLE AND AMBER MAYNOR
C/O KATHLEEN MEZHER ESQ.
8075 BEECHMONT AVENUE
CINCINNATI OH 45255

JOHN MEDERER
6639 FOSTER AVE
CINCINNATI OH 45230 2834

JEFFREY MEYTHALER
7475 W. 5TH AVE. #220
DENVER CO 80226-1674|

MIAMI VALLEY CHRISTIAN ACADEMY
C/O SEAN DONOVAN ESQ.
STAGNARO SABA & PATTERSON
2623 ERIE AVE
CINCINNATI OH 45208

CHARLES M. MILLER ESQ.
ONE EAST 4TH ST. SUITE 1400
CINCINNATI OH 45202-3708|

JOSEPH P. MORELAND
664 TOURNAMENT DRIVE
CINCINNATI OH 45230

PENNY MOORE
2911 NORTH STATE ROUTE 72
SABINA OH 45169-9119|

SANDRA A. MORELAND
664 TOURNAMENT DRIVE
CINCINNATI OH 45230

PATRICK J. NEWTON ESQ.
STEPHEN E. SCHILLING ESQ
150 E. FOURTH STREET
CINCINNATI OH 45202-4181

OHIO DEPARTMENT OF JOB AND FAMILY
SERVICES
REVENUE RECOVERY LITIGATION
PO BOX 182404
COLUMBUS OH 43218-2404

RICHARD PATTERSON
C/O PATRICIA B. FUGÉE
FISHER BROYLES
600 SUPERIOR AVENUE EAST
FIFTH THIRD BUILDING SUITE 1300
CLEVELAND OHIO 44114

ROGER PFEFFENBERGER
C/O PATRICIA B. FUGÉE
FISHER BROYLES
600 SUPERIOR AVENUE EAST
FIFTH THIRD BUILDING SUITE 1300
CLEVELAND OHIO 44114

TODD A. PHILLIPS
STEPHANIE M. PHILLIP
760 MENDON HILL LN
CINCINNATI OH 45244-5023

PARTIES DESIGNATED AS "EXCLUDE" WERE NOT SERVED VIA USPS FIRST CLASS MAIL
PARTIES WITH A '+' AND DESIGNATED AS "CM/ECF E-SERVICE" RECEIVED ELECTRONIC NOTICE THROUGH THE CM/ECF SYSTEM

BARBARA PUGH
8463 POLLUX CT.
CINCINNATI OH 45231-4132

MARY RAY
2605 GOGGIN LN
DANVILLE KY 40422-9372|

RED IGNITION LLC
839 REEDY STREET
CINCINNATI OH 45202|

THOMAS A. RHODENBAUGH
MIA P. RHODENBAUGH
8280 BRILL RD.
CINCINNATI OH 45243-3936

GREGORY H. RICHARDS AND
MARIE A. RICHARDS
8143 ASHGROVE DRIVE
CINCINNATI OH 45244-2703

LORI ROBSON
6229 FAIRWAY DRIVE
MASON OH 45040

WALTER SCAMEHORN
DOVE REALTY
2633 LOUISE STREET W.
UNIVERSITY PLACE WA 98466

SHARMINI SHANKER
11151 SYCAMORE GROVE LANE
BLUE ASH OH 45241

DEBRA SMITH
3667 EATON RD.
HAMILTON OH 45013-9732|

JEREMY R. STARLINE
4145 S. GENSEN LOOP
CINCINNATI OH 45245-7009

WAYNE SMILEY
6096 COUNTRY HILLS
CINCINNATI OH 45233-1730|

BRUCE STAMBAUGH
3845 VINEYARD GREEN DRIVE
CINCINNATI OH 45255-5635|

GARY STEIER AND MARTHA STEIER
7865 HARTFORD HILL LANE
CINCINNATI OH 45242-4345|

CINDY A. SWINNEY
7357 OVERLAND PARK COURT
WEST CHESTER OH 45069-5561

TERESA THOMAS
8026 PINNACLE POINT DRIVE
#202
WEST CHESTER OH 45069-9058

TRIATHLON ACQUISITIONS LLC
C/O PATRICIA B. FUGÉE
FISHER BROYLES
600 SUPERIOR AVENUE EAST
FIFTH THIRD BUILDING SUITE 1300
CLEVELAND OHIO 44114

TRYED STONE NEW BEGINNING CHURCH
5550 READING ROAD
CINCINNATI OH 45237-5344

M BRUCE VANDYKE
2213 SILKTREE CT
LEXINGTON KY 40513-1326

WELLS FARGO BANK NA
C/O CSC LAWYERS INCORP. SER
50 WEST BROAD STREET SUITE 1800
COLUMBUS OH 43215-5910

ED & KAREN WICHTA
5820 BLUE SPRUCE LANE #1
CINCINNATI OH 45224-2870|

ROGER WILLIAMS
C/O PATRIC BURNS ESQ.
SUITE 1900
225 EAST FIFTH STREET
CINCINNATI OH 45202

TERESA WELLINGTON
4171 CANNON GATE DRIVE
CINCINNATI OH 45245-1611

KAREN AND ED WICHTA
5820 BLUE SPRUCE LANCE
APT. 1
CINCINNATI OH 45224-2870

WILLIAM H. WOOD
CARLA R. WOOD
8750 ALBERLY LANE
CINCINNATI OH 45243